Amendments to the Drawings

The attached replacement sheets of drawings include changes to Figures 9-A, 9-B, 10-A,

10-B, 11-A, 11-B. These replacement sheets change the names of the figures to those set forth in

the specification, and replace the original sheets. 9-A will be 9-1, 9-B will be 9-2, 10-A will be

10-1, 10-B will be 10-2, 11-A will be 11-1, 11-B will be 11-2.

Attachment: Replacement Sheets (Please See Attached Figures 9-1, 9-2, 10-1, 10-2, 11-1,

11-2).

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over Saha in view of the '434 reference.

Examiner has rejected claim 1 under § 103 (a) as being unpatentable over the Saha paper and the '434 reference. Applicants believe that claim 1 as amended is patentable.

Examiner stated that claim 1 was unpatentable under 35 U.S.C. 103(a) as being unpatentable

Applicants believe Saha teaches away from Applicants' disclosure. Specifically, the wavelet filters used in Saha are standard subband filters and <u>not non-separable</u> filters.

Applicants' disclosure focuses on using non-separable filters. As a result, in the Applicants' case, there is no need to choose which filters to use according to the image parameters such as (histograms, variance, entropy etc.). In contrast, Saha requires the choice of filters and "justified the need for adaptively selecting the most appropriate wavelet filter (for lossy compression) and integer wavelet transform (for lossless compression) in wavelet based image coding schemes."

Page 29, Column 2, lines 6-9.

Applicants believe the '434 patent also teaches away from the Applicants' invention. Applicants do agree that the '434 includes the limitations of encoding quantized values by run length and arithmetic coding methods. However, the '434 patent does not reference non-separable filters. Here, the purpose is "hierarchically dividing the inputted image signal into a plurality of frequency bands" and after that, rearranging said bands for wavelet transform optimization. Nowhere in the text is there a reference to non-separable filters.

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Therefore, the combination of Saha and the '434 patent fails to render the Applicants' invention obvious because Saha requires the selection of the appropriate wavelet filter and the '434 patent makes no reference to non-separable wavelet filters.

The remaining references do not appear to modify the analysis above.

It is believed that the claim, as set forth above, complies fully with the Examiner's comments and favorable action in the form of a Notice of Allowance is respectfully urged. Should the Examiner find that any matters remain for resolution, he is respectfully requested to contact the undersigned by telephone at (206) 441-3440.

Respectfully submitted,

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